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1988/07/05

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LUNCHEON AT DIAO YUTAI FOR AMBASSADOR LORD TO DISCUSS A NUMBER OF BILATERAL ISSUES, INCLUDING THE SECRETARY'S VISIT. ALSO ATTENDING WERE AMBASSADOR HAN XU, ASSISTANT FOREIGN MINISTER LIU HUAQIU AND DCM.

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4. ZHU STATED THE CHINESE GOVERNMENT PLACES PARTICULAR IMPORTANCE ON THE VISIT BY THE SECRETARY. HE RECALLED THAT OVER THE YEARS THE SECRETARY HAS FORMED CLOSE PERSONAL RELATIONS WITH MANY CHINESE LEADERS, INCLUDING TIAN JIYUN WHO HAS JUST VISITED THE U.S. AND, OF COURSE, HIS FORMER COLLEAGUE AS FOREIGN MINISTER, NOW VICE PREMIER, WU XUEQIAN. ZHU STATED THAT THE CHINESE SUGGESTED SCHEDULE, TO BE CONVEYED TO THE EMBASSY IN THE NEXT FEW DAYS, INCLUDES THREE HOURS OF TALKS WITH CHINESE FOREIGN MINISTER QIAN QICHEN. (NOTE: WE NOTE THAT LAST SCHEDULE CABLED FROM THE DEPARTMENT AND PASSED INFORMALLY TO THE CHINESE HERE CALLS FOR TWO HOURS. END NOTE.)

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5. ZHU STATED THAT ALL TOO OFTEN TIME IS INSUFFICIENT FOR DETAILED EXCHANGES DURING HIGH LEVEL MEETINGS. HE RECOMMENDED THAT THE SECRETARY AND QIAN GIVE PRIORITY TO TWO ISSUES:

-- SINO-SOVIET RELATIONS -- BOTH SIDES BRIEF ON DEVELOPMENTS IN THEIR RELATIONS WITH MOSCOW, AND

-- CAMBODIA -- DISCUSS THE EVENTS NOW UNFOLDING
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PAGE 03 BEIJIN 18445 01 OF 02 050946Z

ON THIS ISSUE.

ZHU SAID THE CHINESE HOPE THAT THEIR PROPOSED THREE HOURS OF THE SECRETARY'S TALKS WITH QIAN WILL COVER ALL INTERNATIONAL AND BILATERAL ISSUES OF INTEREST TO EACH SIDE. VICE PREMIER WU AND THE SECRETARY CAN FOLLOW UP ON SELECTED TOPICS IN GREATER DEPTH. (COMMENT: ZHU'S STATEMENTS ON PRIORITIES INDICATE THAT WU WILL PROBABLY WANT TO DISCUSS SOVIET DEVELOPMENTS AND

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CAMBODIA DURING HIS LUNCHEON FOR THE SECRETARY.
END COMMENT.)

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6. IN RESPONSE TO ZHU'S QUESTION, AMBASSADOR LORD STATED THAT THE SECRETARY WOULD PROBABLY ALSO WANT TO DISCUSS KOREA-RELATED MATTERS, GIVEN DEVELOPMENTS ON THE PENINSULA AND THE APPROACHING OLYMPICS. AFGHANISTAN, TOO, WOULD BE A LIKELY TOPIC, AS THE SOVIETS UNDERTAKE THEIR HISTORIC WITHDRAWAL. MOSCOW'S INTENTIONS REMAIN UNCLEAR, AS IT CONTINUES TO COURT IRAN AND PAKISTAN. THE AMBASSADOR THEN COMMENTED THAT THE SECRETARY HAS RECENTLY GIVEN THE MIDDLE EAST A GOOD DEAL OF ATTENTION, ADDING THAT IT WOULD BE VERY USEFUL TO DISCUSS THE MIDDLE EAST AND PERSIAN GULF REGIONS WHERE EVENTS OF CONSIDERABLE IMPORTANCE ARE UNFOLDING. IN THIS REGARD, THE AMBASSADOR NOTED THAT THE ARMS SALES TO IRAN AND OTHER COUNTRIES IN THIS VOLATILE REGION WERE AFFECTING REGIONAL STABILITY AND WERE OF INTERNATIONAL SIGNIFICANCE. THEY TOO SHOULD BE DISCUSSED HE SAID. ZHU STATED HIS AGREEMENT WHEN THE AMBASSADOR RAISED KOREA AND AFGHANISTAN, BUT DID NOT RESPOND

CONFIDENTIAL

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PAGE 01 BEIJIN 18445 02 OF 02 050950Z
ACTION EAP-00

INFO LOG-00 ADS-00 INR-10 EUR-00 SS-00 CIAE-00 DODE-00
H-01 NSCE-00 NSAE-00 SSO-00 L-03 PM-10 PA-01
INRE-00 ACDA-12 USIE-00 SP-02 C-01 PRS-01 P-02
/043 W

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O 050943 JUL 88
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC IMMEDIATE 2126
INFO AMEMBASSY TOKYO
AMEMBASSY SEOUL
AMEMBASSY BANGKOK
AMEMBASSY MOSCOW

C O N F I D E N T I A L SECTION 02 OF 02 BEIJING 18445

S/S-O PLEASE PASS SECRETARY'S PARTY

E.O. 12356: DECL: OADR
TAGS: PREL, CH, XC, UR, OVIP (SHULTZ, GEORGE)
SUBJECT: CHINESE VICE FOREIGN MINISTER ON

DIRECTLY TO THE AMBASSADOR'S COMMENTS REGARDING
THE MIDDLE EAST/PERSIAN GULF REGION AND ARMS
SALES.

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7. ZHU STATED THAT DISCUSSION ON INTERNATIONAL
TOPICS WOULD LIKELY EXCEED TWO HOURS. THE
REMAINING TIME -- LESS THAN AN HOUR -- COULD
BE USED FOR BILATERAL TOPICS HE SAID. THE
AMBASSADOR RESPONDED THAT THE SECRETARY WILL
PROBABLY WISH TO DISCUSS BILATERAL ECONOMIC
TIES. ON THE PEACE CORPS, HE RECALLED THAT
AGREEMENT IN PRINCIPLE HAD BEEN ANNOUNCED
DURING WU'S VISIT TO THE U.S. THE AMBASSADOR
THOUGHT THAT THE SECRETARY MIGHT BE INTERESTED
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PAGE 02 BEIJIN 18445 02 OF 02 050950Z

IN WHAT PROGRESS IS BEING MADE ON THE PEACE
CORPS ISSUE, INCLUDING ON THE VISIT OF A PEACE

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CORPS TEAM FOR PRELIMINARY EXCHANGES WITH CHINESE OFFICIALS.

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8. RESPONDING TO QUESTIONS, ZHU THOUGHT THAT EITHER LI PENG OR ZHAO ZIYANG WOULD WANT TO FOCUS PRIMARILY ON CHINA'S ECONOMIC REFORMS IN THEIR MEETING WITH THE SECRETARY. WHILE AVOIDING SPECIFIC CONFIRMATION ON SCHEDULING OF A DENG XIAOPING MEETING, ZHU SAID DENG WILL WANT TO DWELL ON "STRATEGIC" TOPICS, SINCE HE IS NOT INVOLVED IN DAY TO DAY AFFAIRS. (NOTE: IT WAS DIFFICULT TO ASCERTAIN IF THE REFERENCE TO STRATEGIC MEANT THE INTERNATIONAL SITUATION OR THE BROAD REFORMIST CURRENTS UNDERWAY IN CHINA TODAY. DURING HIS 1986 MEETING WITH THE SECRETARY, DENG DISCUSSED CHINESE INTERNAL DEVELOPMENTS, INCLUDING STUDENTS, DEVELOPMENTS WITHIN THE USSR AND PROSPECTS FOR A SINO-SOVIET SUMMIT. END NOTE).

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9. DURING THE LUNCHEON, LIU HUAQIU NOTED THAT TIAN JIYUN WITH AN UNNAMED CHINESE PARTNER WOULD BE PLAYING TENNIS WITH THE SECRETARY AND THE AMBASSADOR ON FRIDAY MORNING. LIU ALSO MENTIONED TO THE DCM THAT THE CHINESE CONTINUE TO "STUDY" U.S. SKYLINK DOCUMENTS. (AT EMBASSY JULY 4 RECEPTION, CHINESE MFA OFFICIAL LI ZHENHUA WAS SOMEWHAT MORE POSITIVE, STATING THAT THE SKYLINK DOCUMENTS ARE UNDER "ACTIVE CONSIDERATION".)

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10. COMMENT: THE CHINESE CLEARLY HOPE THAT QIAN'S
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PAGE 03

BEIJIN 18445 02 OF 02 050950Z

BILATERALS WITH THE SECRETARY WILL BE THREE INSTEAD OF TWO HOURS. WHILE THIS DOES NOT ACKNOWLEDGE THE RELATIVELY BRIEF TIME THE SECRETARY WILL SPEND IN BEIJING AND THE OPPORTUNITY FOR EXCHANGES AT TWO BANQUETS, THEY MAY WISH TO CONDUCT MORE IN-DEPTH DISCUSSIONS ON SOME KEY INTERNATIONAL ISSUES AT A CRITICAL STAGE, SUCH AS THE USQSR AND CAMBODIA. EMBASSY BELIEVES THAT THREE HOURS OF TALKS WITH QIAN ON INTERNATIONAL AND BILATERAL TOPICS WILL BE PUT TO GOOD USE, BUT ONLY IF THIS DOES NOT MEAN

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AN OVERWORKED SCHEDULE. WE ANTICIPATE THAT THE
CHINESE WILL PROVIDE US WITH A COPY OF THEIR
SUGGESTED SCHEDULE WITHIN THE NEXT TWO
DAYS. LORD

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